



# Australian Bureau of Statistics

## **1352.0.55.099 - Research Paper: Reviewing the ABS' Hedonic Regression Model for Desktop Computers (Methodology Advisory Committee), November 2008**

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## **Summary**

### **About this Release**

Quality change has long been recognised as perhaps the most serious measurement problem in estimating price indexes. When faced with the task of measuring prices for products that undergo rapid quality change (for example, consumer durables such as computers, whitegoods and cars), international best practice is to develop hedonic price indexes, provided suitable source data are available (Australian Bureau of Statistics, 2005). In 2003, the Australian Bureau of Statistics (ABS) introduced an hedonic price index for desktop computers into the Producer Price Indexes (PPI). In 2008, a review of a part of method used to construct the index was undertaken, to ensure that the index remains relevant, given the fast evolving nature of computer technology.

This paper first details the review of the desktop computer price index, and then discusses how the recommendations arising from the review could be extended to provide a framework for the construction of price indexes for other consumer durables.

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